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E.O. 12958: DECL: 05/30/2016
TAGS: PREL PGOV EFIN JO
SUBJECT: KING ABDULLAH'S MAY 25 SPEECH

REF: AMMAN 3507

Classified By: Ambassador David Hale for reasons 1.4 (b) and (d)

¶1. (C) Summary: King Abdullah's independence day speech included pointed references to unnamed foreign powers, a gesture to domestic critics who see him as too close to the U.S. The speech's theme of self-reliance also aimed at lowering expectations that Gulf governments will launch dramatic new initiatives to rescue Jordan from its fiscal and balance of payments problems. End summary

Pay No Attention to That Man Behind the Curtain

¶2. (SBU) In a brief televised address to Jordanians May 25 marking the sixtieth anniversary of Jordan's full independence from Great Britain, King Abdullah stressed the need for national solidarity and self-reliance. Along with the usual patriotic themes, the King pointedly protested his commitment to an independent foreign policy. "Under no circumstances will we accept that our relations with any country or party should be at the expense of our relations with the Arab or Muslim (world)."

¶3. (C) COMMENT: This point almost certainly referred to the U.S. in our view and that of post's contacts. The King may have felt the need to respond to many Jordanians, unhappiness with the fact that the GOJ was the only regional state that declined to receive Palestinian Authority Foreign Minister Zahar during his recent tour of the region (reftel), a position widely viewed here as a response to U.S. demands. The King's statement may also have been a sign that the Palace senses frustration among some Jordanian constituencies toward other recent requests for support of U.S. initiatives in the region. END COMMENT.

"We Need No Favors"

¶4. (C) Other elements of the speech seemed aimed at gently letting down the many Jordanians (mostly outside of government) who still hold out hope that massive new aid from Gulf states will rescue Jordan from its fiscal and balance-of-payments woes. "We should rely on ourselves, brothers (Bearing the hardships ourselves is easier and more dignified than expecting others to do so for us. We need no favors from anyone." A columnist for the leading liberal daily "Al-Ghad" suggested this might be the Palace's way of telling Jordanians that Saudi Arabia had declined to boost its aid to Jordan above current levels. Although Riyadh reportedly agreed to extend the \$22 million in monthly assistance that had been set to expire in April 2006, many here had unreasonable expectations that rich Gulf Arabs would share with their poorer relations more of the bonanza from record world oil prices.

¶5. (C) COMMENT: Notwithstanding the King's speech, Jordan

still very much needs the largesse of others. Although the government of PM Bakheit bit the bullet in March and cut fuel subsidies, the budget savings from that unpopular step were almost immediately wiped out by further rises in world oil prices. If oil prices stay at current levels, the GOJ's budget deficit for this year may well exceed the 5 percent of GDP forecast only last month.

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